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# THE AMERICAN OBSERVER

*A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe*

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JANUARY 20, 1932

## STIMSON SENDS NOTE TO JAPAN AND CHINA

**Says We Will Not Recognize Any Settlement of Their Dispute if Treaties Are Violated**

### OPEN DOOR POLICY IS CITED

**Hay Doctrine of 1899 Applied As Danger to Our Trade With China Looms**

Since September 18, the Japanese have made steady and determined advances into Manchuria. One after another important centers in that province have been captured. Mukden, Tsitsihar and Chinchow have all been taken, until now almost the entire province of Manchuria is under Japanese control. All attempts to dissuade Japan from asserting her authority over Manchuria have proved futile. Efforts on the part of the League of Nations to intervene have not prevented. Various governments have reminded the Japanese of their obligations with respect to the maintenance of peace. But neither have these reminders stopped the advances. Japan had what she considered to be excellent reasons for going into Manchuria. She has repeatedly denied the violation of any treaty. She has forcefully disclaimed any intention of annexing Manchuria. She has insisted that she was not provoking a war in any sense of the word. She only had certain rights in Manchuria which she claimed the Chinese would not respect and she meant to enforce those rights.

#### STIMSON'S NOTE

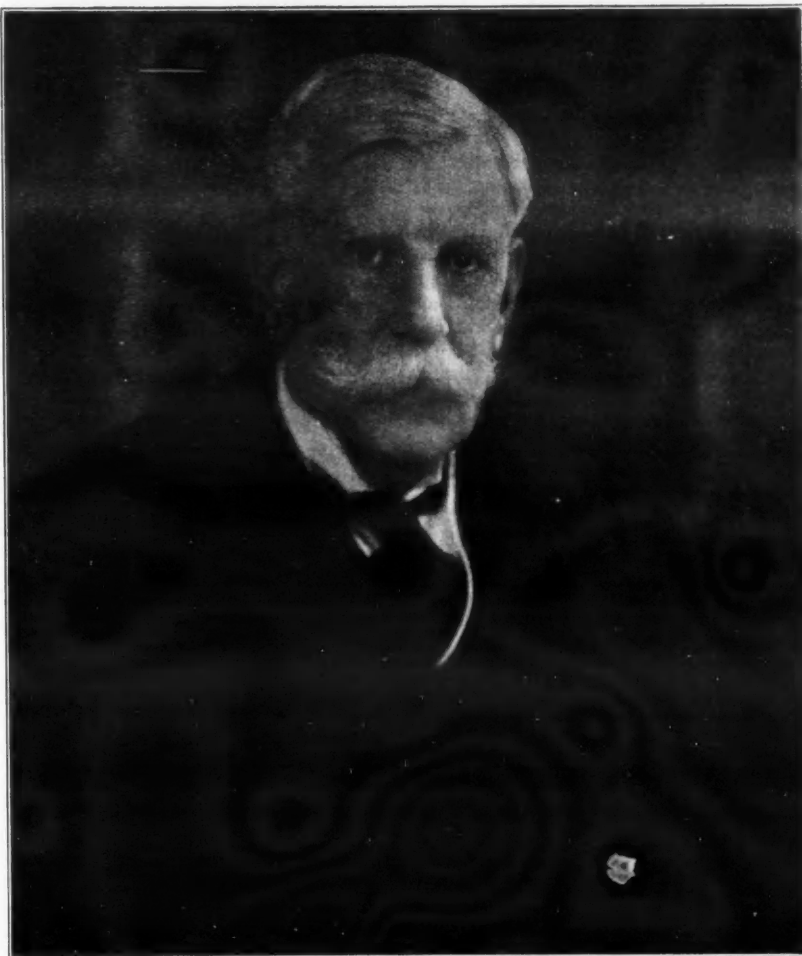
Whatever may have been the motives of Japan for establishing her supremacy over Manchuria, the fact remains that she is now in complete control of practically the entire province. It is important, therefore, to consider the situation as it is, rather than as one may think it ought to be. Whether Japan was right or wrong is a question which probably cannot be answered at the present time.



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HENRY L. STIMSON

All the facts in the case are not yet known. There is much to be said on both sides and it seems certain that it will be said during coming months. At this moment, however, it is of primary interest to know what Japan may do now that she is in possession of Manchuria. How will the state of affairs in the Far East affect the United States? How will it affect the rest of the world?

It became evident on January 7 that the American government was greatly concerned over the turn of events in Manchuria. There was considerable anxiety lest the interests of American citizens in that region might be endangered. Uncertainty as to how these interests might fare led Secretary of State Stimson, on that date, to send a note to both the Chinese and Japanese governments stating our attitude toward developments in the (Concluded on page 7, column 1)



OLIVER WENDELL HOLMES

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## Great Exponent of Liberalism Retires From The United States Supreme Court

A few years ago a number of Americans—writers and public officials of prominence they were—came together on one occasion in a European capital and the after dinner conversation turned to a comparison of European and American personalities. The members of the group agreed that the comparison was unfavorable to their own country. By way of emphasizing the point the suggestion was made that each member of the group should take a slip of paper and write down the names of half a dozen living Americans, men or women, whose personalities were interesting and commanding enough to be placed alongside the most eminent European leaders. When each person present had read his list it was found that at the top of each was the name of Justice Oliver Wendell Holmes. Probably the considered opinion of most thoughtful men and women at home and abroad would agree with the compilers of these lists. For the fine quality of his intellect, the depth of his learning, and the breadth of his sympathies, Justice Holmes unquestionably ranks among the greatest Americans of our generation.

Oliver Wendell Holmes, son of the New England poet of the same name—*The Autocrat of the Breakfast Table*—resigned last week from the United States Supreme Court after a service of almost thirty years. He had hoped to remain on the bench until he completed his ninety-first year, which he will do in a few weeks. But the enfeeblement of age came upon him this winter and obliged him, as he said, to "bow to the inevitable." He was born in 1841, graduated from Harvard in

1861, served through the Civil War and was wounded three times. His service on the bench began with his appointment to the Supreme Court of Massachusetts in 1899. He was appointed to the United States Supreme Court by President Roosevelt in 1902.

Justice Holmes ranks among the great jurists of all time. Upon the development of American constitutional law he exerted an influence which will not cease with his retirement. He stood for what is known as a liberal interpretation of the Constitution, and this reputation for liberalism is derived from his adherence to three constitutional principles. In the first place, he stoutly affirmed the right of expression. Freedom of speech and press found in him an uncompromising advocate. The second principle related to the right of Congress and of state legislatures to enact whatever legislation they saw fit within wide limits. He was willing to set aside legislative acts on grounds of constitutionality only in case the conflict was very clear. He hesitated to set his own opinion of the Constitution above that of legislative bodies, for, as he said on one occasion, "Very early in life I came to a recognition of the fact that I was not God." Finally, in deciding upon the constitutionality of an act he was not satisfied to quibble about the probable intention of the makers of the Constitution. He also took into account the legislative needs imposed by modern industrial conditions. By his unfailing recognition of these principles he won universal acclaim as the outstanding exponent of American liberalism in the twentieth century.

## REORGANIZATION IN GOVERNMENT SOUGHT

**President and Congressmen Disclose Plans for Changes in Departments**

### ARMY-NAVY MERGER PROPOSED

**Unity in Public Works, Shipping Services Urged in Hoover's Special Message**

During the past twenty years, the attention of many government officials, legislators and scholars has been focused on the problem of governmental organization. There is a strong conviction on the part of the majority of these men that there is an urgent need for a complete reshuffling of the many federal bureaus, commissions and boards—a need for a greater degree of centralization. The most recent proposal of this kind came on December 29, when President Hoover announced his intention to present a reorganization bill to Congress. Its most important provisions will be the consolidation of all construction and building activities of the government under an administrator of public works, and the shifting of all merchant marine activities of the government to the Department of Commerce.

While these changes are of utmost importance, in the opinion of a great many high officials, there is another movement afoot which involves even more drastic changes. Three representatives in Congress have sponsored major proposals for the uniting of the War and Navy Departments. The House Committee on Expenditures in the Executive Departments is giving attention to these three plans, and will present one of them to Congress within a very short time.

#### THE PROBLEM

What is the explanation of all the movements for governmental reorganization? On the surface, our government seems to be a mighty machine, covering a multitude of activities, and supplying great quantities of valuable information to the public. Why is a change sought? The answer is to be found in the report of the Congressional Joint Commission on Reclassification of Salaries, presented to Congress on March 12, 1920:

It (the Commission) has noted complex, indefinite, poorly designed organization; inadequate provisions for administrative control and supervision; apparent duplication between and within departments; conflict of authority and overlapping of functions; overmanning; unstandardized procedure; unnecessary records; and other unbusinesslike methods.

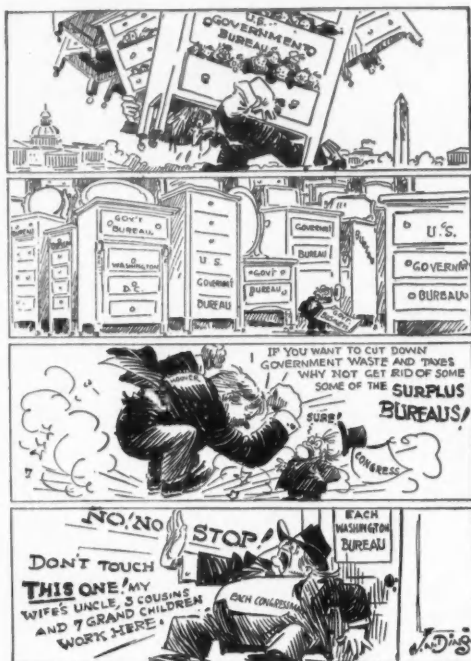
In this paragraph of a twelve-year-old report lies the essence of practically all past and present objections to our existing governmental scheme.

Mr. W. F. Willoughby, of the Institute for Government Research, puts it in these terms:

The administrative branch has had a development analogous to that of a rambling group of buildings composed of successive accretions and wings, additions, sheds and outlying structures, each erected to meet a specific need, but not designed with any reference to the production of a harmonious assembly of buildings.

Glancing at an outline of the present governmental machine, it is possible to





WHY WASHINGTON NEVER GETS RID OF THE BUREAU INFESTATION  
—Ding in N. Y. Herald-Tribune

pick out numerous instances of this lack of scientific organization. One of the most striking is to be found in the Treasury Department, which is theoretically the section of the government which deals with its finances. Under its direction we find the Office of Supervising Architect, Public Health Service, Coast Guard, and General Supply Committee. Public construction activities are scattered throughout all the departments, each supplying its own needs, often being assigned at random the task of directing some public undertaking which has no direct connection with its fundamental purpose. The Department of Commerce is directing the building of Boulder Dam, and has charge of lighthouse construction and maintenance. The War Department directs the Mississippi flood control and similar undertakings. The Department of Agriculture handles all federal road building, either directly, or through subsidies, or gifts, to the various state governments.

#### THE PROPOSALS

The measures now brought forward are designed to do away with such peculiar arrangements; they seek to bring all similar types of work under special directors, who may then plan their activities systematically and take care that no job is done two or three times by different people. By doing away with such duplication, it is felt that much time and labor will be saved and expenses curtailed.

What of the present proposals? First, the question of the Army and Navy Departments, which would be combined into a Department of National Defense. Mr. Willoughby, who was among the first, if not the first, to advocate such a measure, said in 1923:

In the War and Navy Departments at Washington we have two great offices of general administration, the functions and general character of which are almost identical. Following these we have two separate services for handling the matters of manufacture or purchase of munitions, equipment and supplies of all character, the warehousing, issue and transportation of these supplies, the recruiting of personnel, the disbursement of funds, the keeping and auditing of accounts, the preparation and rendition of financial reports, and the handling of vast amounts of correspondence and records involved in attending to these matters. From the standpoint of business organization and procedure all of these operations are practically identical in character. In the field we have a similar duplication of plant, organization and work on a large scale. . . . In many of our coast cities and in most of our insular dependencies, we have naval stations and military posts side by side. Each in large part duplicates the plant of the other. Each has its grounds to take care of, lighted and supplied with water and other facilities; each its hospital, its commissary or supply department, its depots, its stores of supplies, its paymaster and accounting service, etc.

These are but a few instances of the similarity between army and navy administration. Some objectors to the measure have stated that the present system has always worked well, and should not be altered. But advocates of the change point out, first of all, that a great reduction in expense could be effected through the consolidation, and that the methods of warfare have altered so much since the establishment of the separate departments that the change is almost essential to efficient cooperation in case of an emergency.

#### PRESIDENT'S OBJECTION

President Hoover, however, in spite of his desire for reorganization elsewhere, is definitely opposed to this combination. He states that a Department of National Defense would necessitate two undersecretaries, instead of two secretaries, and that his cabinet would be diminished by one member. This would make it more difficult to get able men to take over the undersecretaries' posts, as the positions would be less attractive than that of cabinet member.

President Hoover has not stated whether he would veto an army-navy consolidation bill, should it pass both houses of Congress. Opinion in the House of Representatives seems strongly in favor of the measure; its principal champions are Chairman Joseph W. Byrns of the House of Representatives Appropriations Committee, John J. Cochran, chairman of the House Committee on Expenditures in Executive Departments, both Democrats, and Representative William Williamson, Republican, from South Dakota.

In addition to announcing his activity with regard to army-navy consolidation, Representative Cochran declared himself to be heartily in favor of President Hoover's recommendation of December 29. In this statement, which was very short and sketchy, the president promised to present a detailed plan of the reorganization which he desired. The rumors in Washington imply that this plan is already drawn up, but that it is being withheld temporarily, so that it will not interfere with the chief executive's other proposals concerning emergency legislation to cope with the depression.

#### HOOVER'S PLAN

President Hoover's suggestion with regard to the gathering of all government construction activities under one head is by no means a novelty. Agitation for a separate Department of Public Works is of long standing. The American Association of Engineers adopted a resolution in favor of such a measure in 1921. The engineers proposed, just as the president does, that all non-military and non-naval construction be concentrated under a single directorate. The American Engineering Council testified before a Senate Committee through Mr. Charles Whiting Baker. This gentleman urged that the War Department be relieved of all its civil engineering activities and that these be handled by civilians from a separate branch of the administration.

President Hoover does not desire a new department. He proposes the consolidation under an administrator of public works, presumably intending to have a new

agency function as an independent body, outside the control of any department. Thus the head of the organization would not be classed as a member of the cabinet. However, this question and others which the proposal brings up will be clarified in the president's final message on the subject.

#### POSSIBLE ALTERATIONS

Just what branches of the government would be affected by such a consolidation? At present every department is engaging or has engaged in some sort of construction activity. The War Department, as stated earlier, handles the Mississippi flood control, rivers and harbors maintenance and improvement, supervision of the State, War and Navy buildings, the Alaska Telegraph and Cable System, and other non-military programs. The Department of Agriculture houses the Bureau of Public Roads. The Treasury Department includes the Office of Supervising Architect. The United States Geological Survey staff is attached to the Department of the Interior. Boulder Dam and the Lighthouse Service come under the Department of Commerce. All these functions, as well as many independent establishments which are altogether outside any department, would probably be incorporated into the proposed new organization.

In the past, there have been suggestions that this new body also handle the public domain. The government still has thousands upon thousands of acres of public land, much of which is neglected, other parts being cared for by several different bureaus or departments. This gave rise to a proposed Department of Public Works and Public Domain. The current proposals, however, do not seem to combine the two. In fact, the president made special provision that all conservation and reclamation activities be grouped under a single administrator.

The other fields touched upon by President Hoover in his brief statement were shipping activities, public health and education. These, too, have figured in previous recommendations, both by the president and by other commentators on governmental organization.

#### SHIPPING SERVICES

Under the present recommendation, the Shipping Board and its subsidiaries would be shifted to the Department of Commerce and headed by an assistant secretary of the Merchant Marine. This measure, as it stands, finds certain objections in the way. First of all, the Shipping Board performs a double function. One is that of making rules and giving decisions with regard to international and interstate transportation by water. The other is that of giving help to American ship owners, ship builders and all those persons inter-

ested in marine activities other than the navy. Exporters are furnished with freight rates for the shipment of goods; statistical data on shipping and maritime commerce are all to be had there. Such functions are purely administrative. A certain group of people believe that only the latter division of the organization should be transferred to the Department of Commerce, because an institution for the passing of regulations which have the force of law should not, according to their belief, be subjected to the control of an executive. It is possible, however, that these difficulties will be ironed out when the matter is discussed in Congress.

Although all these proposals are designed primarily for rendering the government body more coherent and efficient, the fact that they are claimed to be economy measures is particularly interesting today, when Congress has an enormous deficit to contend with in making appropriations for next year's expenditures. They form part of a great movement in Washington for the curtailment of government expenses, which have mounted enormously in the past twenty years. It will be interesting to watch the legislators now to see what action they will take upon these proposals of consolidation in government departments, all of which have been advocated for many years.

#### LESS WHEAT

For many months, the farmers of this country and other wheat-exporting nations have been urged to plant less wheat if they wished to get out of their present difficulties brought about by low prices. It appears, now, that some heed has been paid to these suggestions. Less acreage was sown in winter wheat last fall than is generally the case. The Department of Agriculture finds that there has been a reduction of at least ten per cent in this country. Canada reports, too, that her farmers will not reap such heavy harvests this year. In Argentina and Australia, two great exporting countries, most of the farmers have been forced to plant less wheat because of a lack of funds.

The world wheat situation became complicated when the nations of Europe began transforming their former battlefields into fields of wheat. Not only did they grow enough wheat for their own needs, but many of them had large quantities to export, thus creating a world's surplus. There still remains the question as to whether the reduced production of wheat contemplated for 1932 will be great enough to help the nations absorb this tremendous surplus which has been glutting the market and which has inflicted abnormally low prices upon the farmers.



THE NEW DEPARTMENT OF COMMERCE BUILDING IN WASHINGTON © Harris & Ewing

The erection of this structure has been in line with the movement for the consolidation and more efficient organization of governmental departments. Practically all the units of the Commerce Department are now housed in one building.





—Courtesy of E. F. Droop and Sons

A STREET IN MELBOURNE, AUSTRALIA

the British Empire. In addition to the six original states, each of which is directed by a governor and a parliament similar to our state legislatures, there are two territories, Northern and Central Australia, which belong to the federation.

The burden of the present depression is being felt more keenly by the inhabitants of Australia than by the people of neighboring countries. For even though that country is located some 7,000 miles from the United States, the people are much the same as those living here and in Europe. They have been accustomed to a life of comparative comfort and their standard of living is higher than that of their Asiatic neighbors. In fact, most of the people living in Australia are the direct descendants of those who went there from England or European countries. For nearly a hundred years, the influx of western peoples to Australia has continued unabated. Many of them went there in search of gold which was discovered about the middle of the last century. Other Europeans, attracted by the agricultural and industrial possibilities, moved to this new land in the Southern Seas, and today Australia stands as an isolated western nation in the midst of an oriental civilization.

### THEODORE ROOSEVELT

Colonel Theodore Roosevelt, until recently governor of Porto Rico, is to become the new governor-general of the Philippine Islands. He has been appointed to that position to fill the vacancy caused by the resignation of Dwight F. Davis, former secretary of war, who has had charge of the affairs of the islands for the past two and one-half years.

There is always one outstanding problem which greets every new governor-general as he lands in Manila to assume his post. The problem is that of agitation on the part of Filipinos for their independence. Although the question of freedom is one which must be decided by the United States Congress, the attitude of the man who represents the government in the islands is extremely important. America is judged by the actions of its representatives.

Considerable interest has been manifested in the appointment of Colonel Roosevelt to this important position because of his record in Porto Rico. It is reported that his administration of affairs on that island has been most competent. He managed to win the approval of the people by giving earnest attention to their problems. He applied the principle that the natives should learn to stand on their own feet by building up a strong and efficient government.

### THOUGHTS AND SMILES

They used to say that taxes were one of the surest things known and they are saying the same thing about tax increases.

—Springfield SUN.

As the purse is emptied, the heart is filled.

—Victor Hugo.

The public should be invited to suggest ways and means of overcoming the postal deficit, says a writer. Well, if everybody mailed his solution, that should help things a little.

—JUDGE.

Now that "both body and chassis are sound-proofed," what about the back seat?

—Arkansas GAZETTE.

In Maryland, says a newspaper item, it is illegal for a woman to go through her husband's pockets at night. In most states, however, it's merely a waste of time.

—LIFE.

A scientist says it is the lower part of the face, not the eyes, that gives away one's thoughts. Especially when one opens the lower part of the face.

—Arkansas GAZETTE.

While looking into a milliner's shop the other day a woman was knocked down by an auto which skidded onto the sidewalk. Husbands are calling their wives' attention to the danger of getting too close to stores displaying the new styles.

—Springfield (Mass.) UNION.

Senator Robinson, of Arkansas, wants to put a tax on luxuries. Wouldn't it be better to tax something we could do without?

—Boston HERALD.

The two worst counselors of any people are greed and fear. In 1929 it was greed, and now it is fear.

—Otto H. Kahn.

Oh, well, it is in the nature of things for Finns to be wet.

—Washington STAR.

College students are the same the world over, it seems. If they aren't staging political demonstrations in Europe, they're staging vacuum cleaner demonstrations over here.

—JUDGE.

But if the nations are "prepared" when equally armed, why not when equally disarmed?

—San Francisco CHRONICLE.

Short selling is the sale of stocks you don't own. Most of us would be delighted to sell the stocks we do own.

—Dunbar's WEEKLY.

When a man's knowledge is not in order, the more of it he has, the greater will be his confusion.

—Herbert Spencer.

**PRONUNCIATIONS:** Maginot (mah-gee-no)—the g is very soft, the o as in go), Chekiang (chee-kee ahng'), Fukien (foo'ke-en).

## New Australian Government Grapples with Money Problems as People Face Severe Crisis

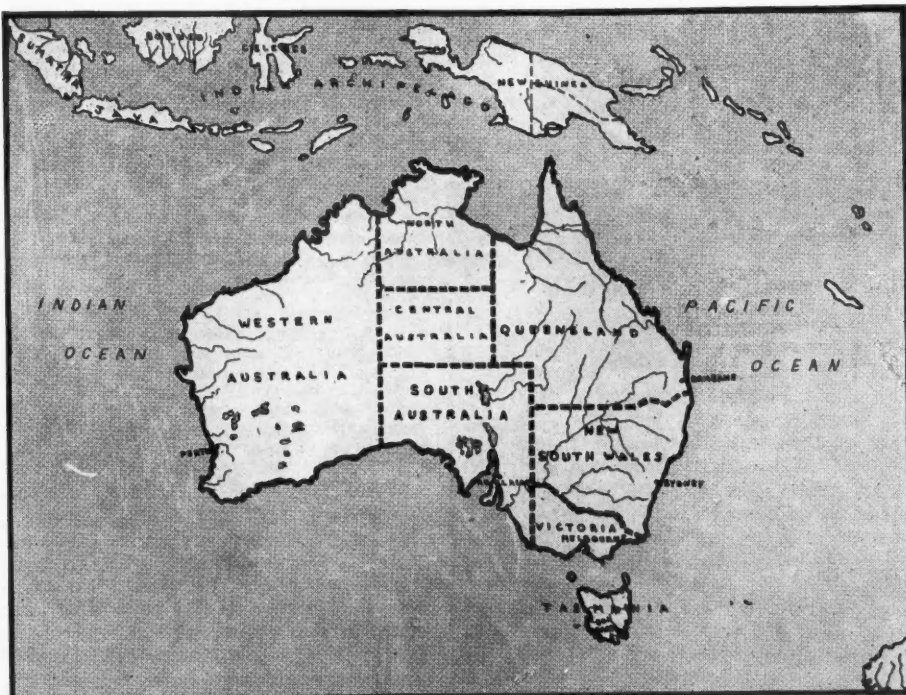
There are few countries in the world which, during the course of the past year, have not been the scenes of political unrest. In many cases, the dissatisfaction of the people has been so great that they have overthrown the existing governments either by revolution or elections, hoping that their living conditions would be improved if other men were directing their destinies. It was just a month ago that the inhabitants of distant Australia put a new government in control of their affairs. The Labor Party was defeated, as in the case of Great Britain, and was replaced by a cabinet composed of men of different political parties. These men took over the reins of government at a time when the nation was in the throes of a most serious crisis. The problems with which they are now grappling are more serious than those which have confronted any government since Australia became a united nation in 1901.

Although it passed unnoticed by many people, the crisis which swept over the states of Australia during the past year was so severe that it almost brought complete financial collapse. It has left its mark upon one-fourth of the workers of that continent who find themselves without employment. It has temporarily sapped the very life from the two basic industries of the country—wheat growing and sheep raising. And this unsatisfactory condition has been largely the result of world conditions—conditions over which the Australians themselves have had no control. The unusual decline in the price of wheat and wool has inflicted unusual burdens upon the six million people of that continent, for it is these two products which determine their welfare. Wheat and wool constitute nearly eighty per cent of their total exports. Thus, the Australian farmer and sheep grower has found during the past year that where formerly he was able to sell his products on the markets of the world and insure himself a comfortable living, last year he was fortunate if he made enough money to pay expenses.

This problem in itself would be sufficiently grave to disturb the heads of the government. But it has been further complicated by other unfavorable conditions. The country is enormously in debt. Each year, it must pay approximately \$150,000,000 in interest alone on the money which it has borrowed abroad. This heavy borrowing from other nations has gone on

for years. The Australians wanted to make a great nation out there in the Pacific and they did not have enough money to carry out their plans without the help of other countries. They needed funds with which to build railways so that they might facilitate trade and communication between the different parts of the continent. They desired to improve their harbors, to build better roads and bridges. They wanted to establish huge factories which would supply their needs without importing any manufactured goods from abroad. And it was for all these enterprises that the borrowed money was used. But the adverse conditions which now prevail make it extremely difficult for the people to keep up their payments on the borrowed money.

There does not appear to be great doubt, however, that Australia will be able to disentangle herself from the present difficulties. Perhaps the greatest advantage which the people enjoy at present is a strong form of government. The serious crises of the past have had to be met by separate states under no central government. In fact, it was after a serious financial upheaval that the states were brought together into a new nation. Back in 1893, when the various states—New South Wales, Western Australia, Victoria, Queensland, South Australia and Tasmania—were British colonies, the continent was deeply affected by financial disturbances which caused almost every bank to suspend payments. Believing that "in unity lies strength," they decided to join hands in a single federation. They modeled a government after that of the United States. A parliament was created, composed of a Senate and House of Representatives, the members of which should be selected by the various states. There was to be free trade among the states just as there is among the states of this country. Having thus united, in 1901 Australia was admitted as a sister nation in that great Commonwealth of Nations,



—Prepared for THE AMERICAN OBSERVER

THE AUSTRALIAN COMMONWEALTH



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WEDNESDAY, JANUARY 20, 1932

## REVIEW OF THE WEEK

IN every national emergency an effort is made to quiet the discord of party debate and to secure a non-partisan consideration of public problems. Such an effort is being made at this time by leaders of both parties. It is impossible, of course, to avoid political controversy altogether when a presidential campaign is in sight, but some of the more important features of the depression relief program are being dealt with in a fairly non-partisan spirit. Differences of opinion have nevertheless arisen. The first half of the month witnessed the emergence of several first-rate issues. There was a quite general endorsement of the Reconstruction Finance Corporation measure (see THE AMERICAN OBSERVER, January 13) and it passed the Senate by a vote of 63 to 8, but public opinion divided sharply on the question as to whether relief of the unemployed should be undertaken by the national government, and another issue developed respecting tariff.

There was, indeed, some question as to the wisdom of establishing the Reconstruction Finance Corporation. The *New Republic*, representing as it does a large liberal or progressive element, declared that the lending of government money to business and financial enterprises would be a "dole" to capital. It declared editorially that government money should be used to feed the unemployed, and then added:

But if railroads, which are, after all, private business corporations and not men in a bread-line, cannot earn enough to pay their interest charges, surely it is creating a dangerous precedent to pay the interest for them. The money is to be technically "loaned," to be sure, but what assurance is there that it can be repaid? What will happen when the next lot of coupons has to be cut? Can the citizens go on indefinitely meeting the capital charges of a sizable part of the private business of the country? Should we create a class of corporate parasites?

Other liberals, who ordinarily speak as does the *New Republic* for the laboring classes and consumers, rather than for large business corporations, supported the plan of government loans through the Recon-

struction Finance Corporation to the banks, the railroads and other companies, on the ground that such a program might prevent financial crashes and might strengthen business, thus hastening the end of the depression. In such a program they saw hope of relieving unemployment by bringing about better business conditions.

It will be seen, therefore, that the liberals—coming largely from among consumers, laborers and farmers—are divided as to the wisdom of the business relief program, though all of them agree that the proposed huge loans by the government to business companies is a departure from the theory, so dear to conservatives, that the government should keep its hands off business and let business men work out their own problems in a spirit of "rugged individualism." Conservatives, representing business and financial sentiment, are apparently embarrassed by the necessity of having to call upon the government to direct industrial policy and to come to the aid of business. Nevertheless they almost unanimously favor the reconstruction finance program.

AS we have said, there is a much sharper division of opinion on the question of direct relief to the unemployed. Senator Costigan, of Colorado, a progressive Democrat, has introduced a bill into the Senate providing that Congress appropriate \$375,000,000 for unemployment relief. Senator La Follette, of Wisconsin, a progressive Republican, calls for an appropriation of \$250,000,000. He also proposes a \$5,000,000 bond issue to carry on a huge building program. Alfred E. Smith, Democratic candidate for the presidency in 1928—a Democrat of progressive or liberal leanings—endorses the idea of having the government borrow money by the issuance of bonds and undertake a program of constructing roads, bridges, and public buildings. He describes the plan in this way:



© U. & U.  
ALFRED E. SMITH

If these bonds were to be issued in the ordinary manner, I would say "No." I believe they should be offered direct to the American public exactly as the Liberty bonds were offered, through an appeal to their patriotism and their devotion to the country. I feel safe in venturing the opinion that an offer of such bonds under such conditions will loosen up the hoarded money which is now cared for in sugar bowls, between mattresses, and by the more careful in safe deposit boxes.

I believe that if this matter is properly stated and if this issue is properly handled, it will restore purchasing power that will be beneficial to business, commerce and industry all along the line. The expenditure of the proceeds of these bonds will renew confidence in business and will start the mill and the factory working, add to the tonnage of our railroads and provide real employment for the army of the idle.

Were the proceeds of these bonds to be used under present conditions, I would again say "No." I believe that following the bond issue Congress should bestow upon the President of the United States plenary power for the appointment of a Federal Administrator of Public Works and clothe him with the power and authority to cut, slash and dig into the red tape now found throughout the statute laws of the country which retards the progress of public works. Here again we must invoke the tactics of war as against the slow and cumbersome operations of peace time.

President Hoover has stoutly opposed any such plan as that. He has recommended and put into effect a moderate increase of public building, but not such a sweeping program as that advocated by former Governor Smith and a number of the Progressives in Congress. He opposes, as do most of the conservative Republicans and conservative Democrats in Congress, direct relief of the unemployed by the national gov-

ernment. He holds that this is the work of the state and local governments and of private charity.

THE tariff bill sponsored by the Democrats was rushed quickly through the House of Representatives, where it passed by a vote of 214 to 182. Fourteen progressive Republicans joined the Democrats in the vote.

This tariff bill is a compromise measure. It was naturally opposed by the Republicans who believe in a high tariff. It gives to Congress rather than to the president, the power of lowering or raising duties on specific products when such changes have been recommended by the United States Tariff Commission. This change is distasteful to protectionists, especially so long as a friend of the tariff is in the White House and so long as the majority in both houses of Congress are, as at present, inclined to favor lower rates. It was also opposed by the Republican protectionists because it requests the president to call an international tariff conference to consider the reduction of tariff walls. This conference, if called, would probably lead to a world-wide agitation for lower tariffs.

At the same time this bill fails to satisfy many Democratic advocates of a low tariff because it does not provide for the immediate lowering of any tariff duties. The Democratic leaders who drafted the measure appear to believe that an attempt to change tariff rates in a wholesale manner at this time would disturb business and postpone economic recovery. They feel that no substantial results would be achieved, since a low tariff measure, if enacted, would in all probability be vetoed by the president. Nevertheless their failure to propose a lowering of duties disappointed those who believe that the erection of high tariff walls by this country and other nations has unnecessarily restricted commerce among the different countries and has contributed heavily toward the bringing on of the world-wide business depression.

THE Democratic National Committee met in Washington, January 9, and made plans for the holding of the national convention to nominate candidates for the presidency and vice-presidency. Chicago was selected as the convention city and June 27 was chosen as the time. The Republicans had already decided to hold their convention in Chicago. They will meet two weeks in advance of the Democrats.

In the Republican Party, President Hoover continues to all appearances to have the field to himself. In the Democratic Party, Governor Franklin D. Roosevelt of New York is the outstanding candidate. It is Roosevelt against the field. Democratic politicians assembled in Washington at the time of the committee meeting, agreed that he would probably go to the convention with more than half the delegates. It takes two-thirds to nominate in a Democratic convention, however, and if Governor Roosevelt does not secure the support of two-thirds, the nomination might go to any one of several possible candidates.

A CONFERENCE to consider the reparations problem, which was to have met on January 18, was postponed until January 25. Two weeks before the date of meeting, Chancellor Brüning, of Germany, threw the prospects into confusion by announcing point-blank that Germany could not continue to pay reparations. Prime Minister MacDonald, of Great Britain, said he was not surprised at this announcement. He thus indicated that the British do not resent the German position, but regard it as necessary in the light of economic conditions. The French atti-



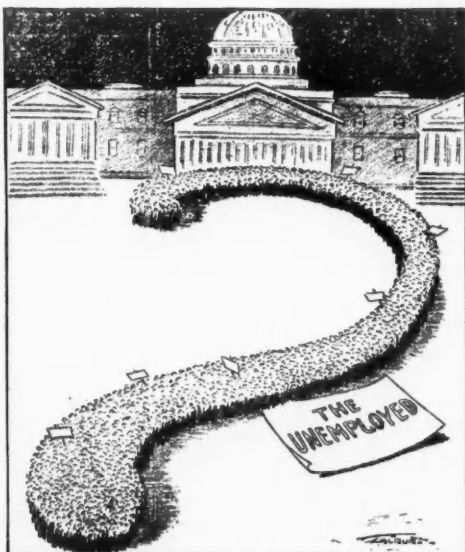
HOW LONG CAN SHE HOLD IT?  
—Kirby in N. Y. WORLD TELEGRAM

tude is in doubt. Opinion in France appears to be divided. Some feel that France should stoutly insist upon receiving reparations and others think their government should bow to the inevitable, recognize Germany's inability to pay and undertake to bolster up an unstable economic situation in Europe. This latter position is probably not the one held by the majority. It is significant, however, that no responsible statesman in France is advocating the invasion of German territory by French soldiers as a means of collecting reparations.

A QUIET week followed the disturbances in India which led to the jailing of Gandhi and other Nationalist leaders. Hope is expressed in Great Britain that the decisive measures taken by Viceroy Willingdon in India has removed the danger of uprising, while the more pessimistic look upon the present peaceful atmosphere as a lull before a storm. Committees are now at work in India making plans for the drafting of a new constitution to be considered at the round table conference which it is expected will convene again next December.

ON the eve of two important international conferences—the Lausanne Conference on Reparations and the Geneva Conference on World Disarmament—the political situation in France has become unsettled. On January 12, Pierre Laval, who had been premier for almost a year, presented the resignation of his entire cabinet to the president of the Republic, Paul Doumer. For more than a week, it was expected that the French cabinet would be reorganized because of the death of the minister of war, Andre Maginot, and the reported illness of the foreign minister, Aristide Briand. The premier made attempts to fill the posts and reshape the cabinet without a complete reorganization, but his efforts to persuade Edouard Herriot, former premier, to accept the position of foreign minister, were futile. Without the support of M. Herriot and his party, M. Laval could not carry out his plans and so resigned.

In the new cabinet which will direct France's affairs through the period of the two important conferences, it is almost certain that M. Briand will hold no office because of his poor health. The seventy-year-old statesman, known to many throughout the world as "the man of peace" because of his untiring efforts to bring about world cooperation, is said to be broken in health and desirous to retire from public life for a while at least. For many years, he has directed France's foreign policy and has striven since the war to maintain friendly relations with all nations. His efforts during the past few months have been directed toward a settlement of the Manchurian dispute.



WHAT'S THE ANSWER?  
—Talburt in Washington News



# THE LIBRARY TABLE

## BOOKS ON INDIA

The threatened revolution in India has stimulated a world-wide interest in that country and has emphasized the need for a better understanding of its problems than most people possess. It may be well, then, to call attention to a few books on India to which one might go for enlightenment. It is fortunate that one of the very best of such books happens to be a small one which can be read in a short time and which may be obtained at a small cost. "Modern India," edited by Sir John Cumming (London: Oxford University Press. \$1.50—the American address is Oxford University Press, 114 Fifth Avenue, New York) is a study of various phases of life in India, each chapter being contributed by an authority in his field.

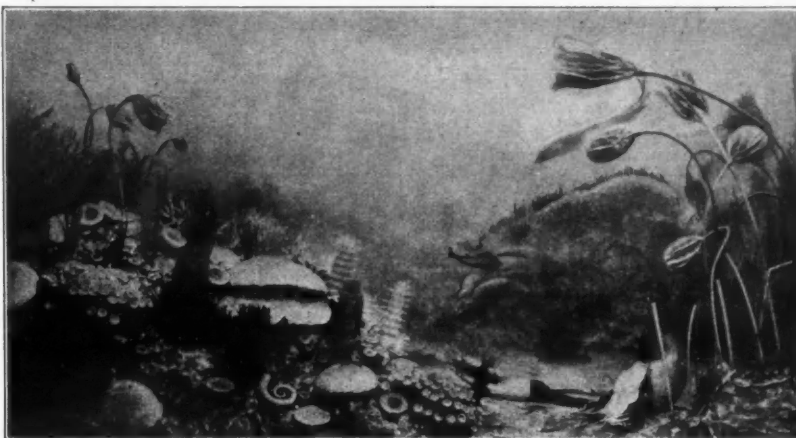
This book furnishes a rounded view of India, its people, and its problems. There is an opening chapter on the country, peoples, languages and creeds, written by Sir Harcourt Butler, who for years was connected with the British civil service in India. This chapter describes briefly the geographical and climatic background. It tells of the different races or nationalities, of the languages and religions. It explains the character of those native states in India which comprise about two-fifths of the country and which, though they are scattered among the provinces of British India, retain the nature of independent principalities with their own native princes. There are other chapters on the machinery of government, the army, the system of law and justice, education, art and culture, agriculture, public finance, trade and industry, population and the way the people live. This collection of essays constitutes a comprehensive survey of the Indian situation and is compressed within 300 pages. Anyone reading the book would place himself in a position to follow the develop-

ments of the Indian crisis with a fair measure of understanding.

A very different book is "Visit India with Me," by Dhan G. Mukerji (New York: E. P. Dutton. \$3.50). It is written by a native of India and is descriptive rather than analytical in character. The author adopts the device of assuming that he has taken an American friend to India to show him the country, its people, and its institutions. There is, therefore, an element of fiction in the work, but this applies only to the method and not to the content. The author intends to present a true picture, as one might see it if he visited India with a competent and sympathetic guide.

In reading this book we travel with the author and his fictitious friend from one end of India to the other. We visit the cities, the villages and countryside, both in British India and in the native principalities. We study the art of India. We get an idea of the way people live and of their philosophy of life. It is a sympathetic view we get, for the Indian author loves his native land and presents it attractively.

When we turn to Patricia Kendall's "Come With Me to India" (New York: Scribner's. \$3.50), we find ourselves viewing the people and the customs and institutions with a far more critical eye. Here again we go up and down the land visiting different classes of the people, but we see much that is ugly—much that we must condemn. Mrs. Kendall allows us to study the system of child marriage, the practice of infanticide, the subjection of the women, the cruelty of caste, the general backwardness of the people and the reactionary ideas of the ruling classes. She has little sympathy with Gandhi and the fight he is making against what appears in these pages to be the modernizing and



EARLY SEA LIFE  
An illustration from "The Story of Science," by David Dietz (Sears).

enlightening program of British rule.

These three books, the one a competent and systematic study of peoples and institutions, the other two, series of impressions which may be gained by travelling about in India, will together be a great service to one who is curious about the realities of Indian life.

## ENGLISH FARM LIFE

"Silver Ley," by Adrian Bell (New York: Dodd Mead and Company. \$2.50) is a story of country life in present-day England. It is fiction, but it is more than that. While maintaining the form of a story through which interesting characters pass, it describes the conditions of life on a country estate so minutely as to make of it, in effect, a sociological treatise portraying the facts of farm life. There is no great amount of action and the plot is not striking, but the day-to-day doings of the farmers, the operations of farm life, the conversations of people of all classes about the farms, hold the attention and interest. The book is pleasant, highly informative, and decidedly entertaining.

## THE STORY OF SCIENCE

Whether one is specializing in the study of science or not, he must, if he aspires to anything like a general education, become acquainted with certain important scientific facts. He must obtain somehow a passing familiarity with the different departments of science, with astronomy, geology, physics, chemistry, and biology. A number of books have appeared designed to spread before the reader the most significant ideas classified within the general fields of science. Some of these books are accurate enough but are too technical for one who has not a scientific training. Others are popular and attractive but do not bear the stamp of scientific authenticity. There has just appeared a book which suffers neither of these limitations. "The Story of Science," by David Dietz (New York: Sears Publishing Company. \$3.50) is popular and readable. It should appeal to high school as well as to college students and to general readers. And it is written by a scientist of standing. It will satisfy the man of learning and the casual searcher after scientific truth.

This volume covers a wide range. It begins with a chapter on the scale of the universe. The opening paragraph gives a setting to the chapter showing in popular terms the significance of the subject matter. Since it furnishes a clue to the style and method of the author it may be well to quote it:

The ancient Psalmist in Biblical days felt the glory of the heavens. One imagines him standing in the open fields at night, filled with awe at the wonder and the grandeur of the star-filled firmament. And yet his conception of the heavens was a simple one compared with what modern astronomy has revealed about them. If the sight of the stars filled him with awe, then we ought to feel the wonder of the stars a thousand times more, knowing what modern astronomy has to tell.

There are further chapters dealing with the moon, the sun, eclipses, the solar system, comets, meteors and stars, nebulae, the structure of the universe. All these are comprised within Part I on "The Story of the Universe." Parts II, III, and IV tell successively "The Story of the

Earth" which represents the fundamentals of geology, "The Story of the Atom" which supplies foundations for chemistry and physics, and culminates with the Einstein theory and "The Story of Life" which is an outline of biology.

## ECONOMIC COUNCILS

For a number of years there has been quite a little interest in this country in the establishment of some sort of economic council, or body of economists, whose function it would be to advise officials of the government on matters of economic policy. It has been felt that some means might be devised by which the industrial leaders and economic thinkers could work together with the legislative and executive branches of the government to the end that there should be a higher degree of cooperation among the business enterprises of the country, and that governmental regulation might be more carefully planned. Councils of some such nature have been established in several European nations. A bill was recently introduced by Senator La Follette calling for the creation of an economic council in the United States. The confusion and uncertainty in business and governmental circles which have attended the depression have led to an increased interest in the possibilities afforded by an economic council. Particularly timely, therefore, is a pamphlet on "Advisory Economic Councils," by Lewis L. Lorwin. (Washington: The Brookings Institution. Fifty cents.)

It must not be supposed that because the author has compressed his material into the space of fifty pages, he has handled the subject inadequately. The history of the movement for economic councils is presented very clearly, and the different types of councils known to European experience are described in such a way as to give the reader a very good picture of what has been accomplished. There are somewhat detailed analyses of the Provisional Economic Council of Germany and the National Economic Council of France. The concluding section of the pamphlet presents the arguments for and against economic councils, and discusses the possibilities afforded by their establishment and the outlook for the movement which they represent.

Mr. Lorwin is a member of the staff of the Brookings Institution and his pamphlet is one of a series of economic studies which that research organization is carrying on.

## INDUSTRIAL PLANNING

The *New Republic* carries with its issue of January 13 a supplement on "Long Range Planning for the Regularization of Industry." It contains the report of a committee appointed last spring by a national conference of Progressives. It represents the views commonly held by progressive, or liberal, thinkers as to what should be done in the way of industrial regulation to prevent depressions, to bolster up weak industries, and to secure the regular employment of workers. It does not consist of arguments, or of general discussion. It is a twenty-page statement of policy. It should serve as an incentive to thought and as a basis for discussion in economics classes and, for that matter, among all people who are interested in the development of a sounder economic order.



HINDU TEMPLE ELEPHANTS

—Courtesy Canadian Pacific

Indian customs and institutions are described in several new books. A background for the understanding of Indian problems is thus furnished.





THE generation which came into political life about 1840 was preoccupied with the slavery question. The parties had not before that time divided along sectional lines. There were northern and southern Whigs and northern and southern Democrats just as there had been Federalists and Republicans from all parts of the country, but the slavery question cut across party lines. It demoralized the political organizations and prevented an adequate consideration of any other problem of the national life.

It was difficult during those years to secure the judgment of the people on issues other than slavery because elections tended to be fought out on the slavery issue. It played so large a part in the choice of candidates everywhere that there was no way of hearing the voice of the people on the merits of such questions as the tariff, national finance, public land policy, territorial expansion or questions arising out of foreign relations.

It is natural that we should ask whether the political situation to which the slavery controversy gave rise has any parallel in present-day politics. An answer to that question is not far to seek. In many respects the controversy over the liquor traffic and its control runs a parallel course. The analogy, to be sure, is not complete. Historical analogies never are. They must therefore be used cautiously. But if we examine the effects upon politics produced by the two controversies, we will find many points of similarity.

In the first place, we find that to a considerable extent, both problems threw the nation into a conflict of opinion, sectional in nature. In both cases party lines are cut athwart, for prohibition as well as the anti-slavery discussions at the middle of the nineteenth century has made

the rendering of a judgment on other issues by the people difficult. Today we find elections turning upon the liquor issue just as in the forties and fifties they turned on the slavery issue. It is hard now to hear the voice of the people on such issues as the tariff, farm relief, and power control because, to such a considerable extent, the voters choose officials, not because of their views on these questions, but because of their views on prohibition. And it is true now, as it was in the former era, that certain sections of the country hold preponderantly to the one view, while other geographical sections are overwhelmingly of the opposite opinion.

Here is another parallel. At the extremes we find elements engaged then as now in what appears to be irrepressible conflict. The abolitionists demanded the overthrow of slavery throughout the nation. They wanted an America that was all free. The most pronounced opponents of the liquor traffic have insisted upon a policy which would banish the saloon from all parts of the country—even from those sections which do not favor the anti-saloon policy. At the opposite extreme we found a pro-slavery element which insisted that slavery should be recognized throughout the nation. They did not insist that northern people should own slaves any more than

the anti-prohibition advocates insist that all people should drink liquor, but they insisted that slavery was an institution which should not be tampered with. They insisted that the right to own slaves was a property right, guaranteed by the Constitution of the United States, and that the government had no right to abolish it in any territory. They insisted further that slave property carried into any part of the nation should be protected by law.

There is this difference, that the abolitionists were on the offensive during the forties and fifties. They succeeded in establishing their position throughout the nation only as a result of a war among the states. The prohibitionists are on the defensive because they have already established their position legally throughout the nation, and are trying to sustain it. It is interesting to observe, however, that even here there is a similarity, for while abolition won its position as a result of a domestic war, the national prohibitionists established their position legally during the course of a foreign war.

It should be observed that just as there was an extreme element among the pro-slavery advocates, which, as we have said, denied the right of the national government to forbid slavery anywhere, and which opposed the enactment of laws in any state making impossible the possession of slaves, so there has always been an element, and is today, which opposes prohibition of the liquor traffic by any governmental authority. These people fight national prohibition, but before national prohibition they fought prohibition by states, and in states which had local option they fought against attempts by cities to forbid the open saloon or to impose strict regulations upon it.

In the case of both controversies we see attempts to reach some sort of middle ground. In 1854, Stephen A. Douglas proclaimed the famous doctrine of so-called Popular Sovereignty, or as it was

sometimes expressed, "Squatter Sovereignty." He proposed that the people of the territories be permitted to decide for themselves whether or not they should have slavery. Slavery had been abolished by the Missouri Compromise in 1820 in all territory above the line 36°30'. Douglas, in proposing his famous Kansas-Nebraska Bill, did not at first intend openly to repeal the provisions of that act. But he did propose a means by which the people of a territory might, if they wished, step out from under the anti-slavery blanket which the Missouri Compromise had laid over the territory north of the great line of demarcation.

Let us compare that proposal with the one proposed last week by John J. Raskob, chairman of the Democratic National Committee. He does not suggest the repeal of the eighteenth amendment. He would leave prohibition the law of the land throughout the nation, but he would

allow a state which wished to do so to step out from under the prohibition blanket and establish the sort of liquor control it saw fit. The national law for enforcing prohibition would still be in force in all states except those which should choose to free themselves from its provisions. This proposal closely parallels the program which Stephen A. Douglas induced the national government to adopt as a means of dealing with slavery.

Abraham Lincoln, it will be remembered, stoutly opposed the doctrine of Popular Sovereignty, and declared that the nation could not exist half slave and half free. He felt that there would be strife and discord until slavery were established throughout the nation and agitation against it ceased or else slavery were extinguished everywhere. It does not, of course, follow necessarily that Lincoln's reasoning would apply similarly to the liquor problem. Lincoln felt, apparently, that the existence of slavery in a particular region created a certain kind of eco-

nomic society—a plantation society as distinguished from the industrial society which was likely to grow up where there were no slaves. These two kinds of economic communities would require different sorts of legislation, different tariff laws, for example. Their needs would be so different that it would be hard to conceive of both kinds of society organized under one government. Legislation enacted by that national government was likely to be hurtful to one of the social groups, while helpful to the other.

It may be argued that it is not similarly impossible for a nation to exist, part of it permitting the liquor traffic and the other forbidding it. On the other hand, the argument for such impossibility may be made and may be defended by a certain section of political thought. It is held by this section that effective regulation of the liquor traffic can be had only if it is nation-wide in scope.

Following the adoption into law of the Popular Sovereignty program, the agitation in the fifties was not stilled. The old parties broke up, and new alignments developed around the slavery issue. At the present time one hears frequent predictions that the parties may break again, this time on the issue of prohibition. It should be said, however, that the prospect of such political reorganization is not immediate.

As we look back over the great slavery conflict it is interesting to note that for three or four years after the enactment of the Compromise of 1850 it was believed by many competent leaders in both the North and the South that a final and permanent solution of the slavery question

had been reached. It was thought that the Compromise of 1850 had provided a settlement of the problem. This hope was, of course, tragically false, for within less than a decade the nation was torn by war over the issue. No group today is certain that the prohibition issue has been definitely settled. The advocates of prohibition are dissatisfied because they think the law is not adequately enforced. The opponents of prohibition are dissatisfied because prohibition is the law of the land.

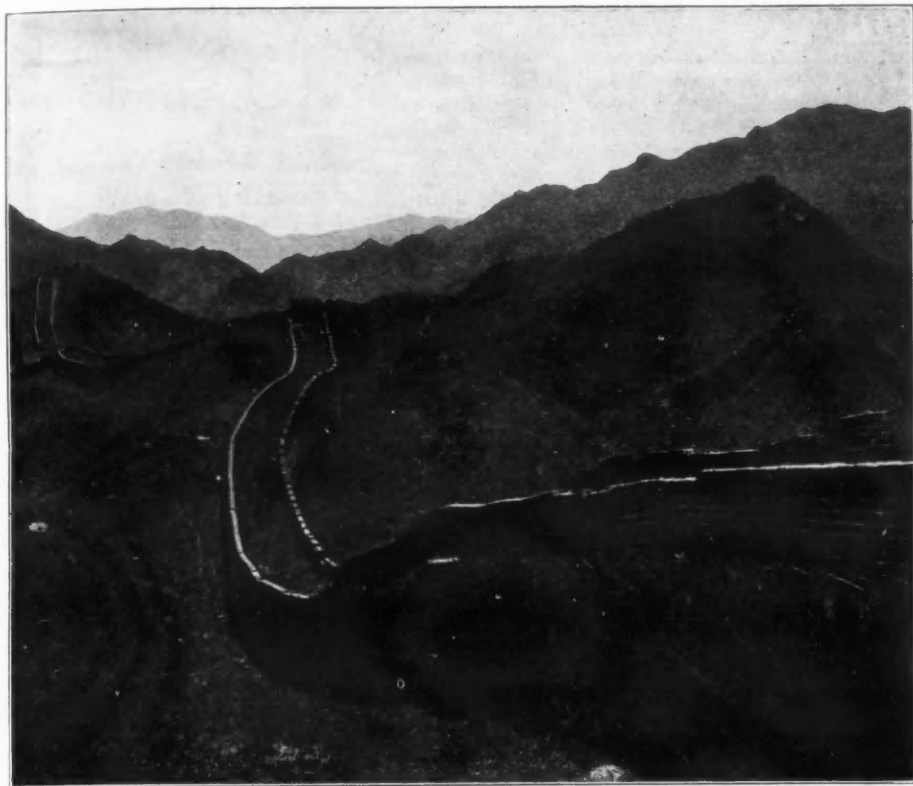
When the parties meet in convention next June a number of courses will be open to them. They may: (a) declare in favor of national prohibition and its rigid enforcement; (b) make a general declaration in favor of law enforcement without mentioning prohibition—this would be a method of partially dodging the issue by undertaking to satisfy the dries without too greatly offending the wets; (c) omit any mention of the issue, or declare that as a national party no definite stand would be taken, the matter being left to the people of the states or congressional districts to send representatives in harmony with their views; (d) declare for a referendum or a vote by the people as to whether prohibition should be maintained; (e) declare for a constitutional amendment such as Mr. Raskob advocates allowing the states to free themselves from the operation of prohibition laws; and (f) declare outright for the repeal of the eighteenth amendment.



—Courtesy Corcoran Gallery of Art  
THE PASTORAL VISIT

The negro, so typically portrayed in this painting, was the center of a great controversy, with which American politics was concerned during the middle period of the nation's history.





THE GREAT WALL IN CHINA

© Lionel Green

The Japanese are reported to be advancing beyond this historic fortification which has brought some of their troops into China proper.

## STIMSON SENDS NOTE TO JAPAN AND CHINA

(Concluded from page 1, column 1)

Far East. The communication is important because it is a definite statement of American policy. The secretary of state said, in effect, that the United States and its citizens had certain rights in China which were sanctioned by treaties, and which were protected by an international policy known as the open-door policy. Should the governments of China and Japan come to any agreement over Manchuria which would impair those rights, the United States would not recognize it or admit it as being legal. Mr. Stimson further stated that our government would recognize no treaty or agreement which might be brought about by means expressly forbidden by the Pact of Paris, or Kellogg Pact, to which both China and Japan have pledged their adherence.

What does this statement of policy mean? Simply this. The United States is determined that China and Japan shall take no steps contrary to the open-door policy; contrary to the Nine Power Treaty of 1922; or contrary to the Pact of Paris of 1928. Our government considers these to be of highest importance and will not tolerate their violation.

### THE OPEN DOOR

Why was Secretary Stimson so emphatic in making this declaration? The answer is to be found in the open-door policy which, like the Monroe Doctrine, is sacred in the history of American foreign relations. It is a policy which maintains that American citizens shall be accorded the same rights and privileges in China as are extended to the citizens of any other nation. It means that the subjects of no other nation shall be permitted to trade with China on more favorable terms than do American citizens. No tariffs shall be levied against American goods which are not also levied on goods coming from other countries. It means also that the citizens of the United States residing in China shall be given the same treatment and privileges as the citizens of any other nation.

But how did such a policy ever come to be enunciated? Why was it necessary to insist on rights and privileges for American citizens in China rather than in any other country? It was necessary because China is an immense country with a wealth of resources—rich in products needed by the western world. For years the govern-

ment of China has been weak and unable to prevent the western nations from coming in and taking those products; from establishing themselves in certain localities and even from acquiring possession of parts of her territory. Particularly was this true at the end of the last century. Various nations were making such rapid advances on Chinese territory that it seemed for a time that the whole country were about to be broken up and divided among the nations of the western world. Russia was then strongly entrenched in Manchuria, Germany in Shantung, England in Hongkong and France in Kwangtung and Tongking. Italy was looking expectantly at Chekiang and Japan at Fukien. These nations, principally, were busily engaged in slicing what had become known as the "Chinese melon."

### PROCLAIMED

At that time, 1899, American trade with the Far East was becoming increasingly important. But it was endangered because of the firm foothold which other nations were rapidly acquiring in China. It was feared that they might be in a position to force China to grant privileges to them which she would not extend to us. They were establishing spheres of influence which were rendering the carrying-on of our trade extremely difficult. At that time, our secretary of state, John Hay, made his famous declaration for an open door in China. Just as in 1823 the Monroe Doctrine had proved effective in keeping the nations of Europe from extending their influence to the American continents, so in 1899 Secretary Hay's statement secured for American citizens rights in China equal to those of citizens of all other nations.

### NINE POWER PACT

Since that time the open-door policy has been the guardian of our trade with China. We have not hesitated to apply it when necessary. In 1915, when the western world was concentrating its attention on a gigantic conflict in Europe, Japan made a number of demands upon China. These were the Twenty-one Demands and they would have given Japan many privileges in China which seemed dangerous to our interests. The American government, on that occasion, sent a note to China and Japan similar to the one which Secretary Stimson recently dispatched. We said in 1915 that we would recognize no agreement which might impair the rights of our citizens. As a result of this message Japan did not force China to yield to the majority of these demands.

So important was the open-door policy considered that it was incorporated into a treaty in 1922. At the Washington Conference of that year, nine nations signed the Nine Power Treaty by which they pledged themselves to respect China's right to possess and to direct the affairs of her own territories. They pledged themselves to respect her territorial and administrative integrity. And they further agreed to maintain the principle which permits all nations to have equal opportunities in China with respect to commerce and industry. Thus they accepted and incorporated into a treaty the open-door policy. The nations which signed the Nine Power Treaty were the United States, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands and Portugal. These are the countries principally interested in China. The sole exception was the Soviet Union which took no part in the conference.

It becomes apparent, therefore, that Secretary Stimson's note to the Chinese and Japanese governments was a re-statement of a policy which we have for years insisted upon with respect to our relations with China. It was also

a reminder to those governments that the Nine Power Treaty must not be violated. China must not be deprived of the right to her territory nor of her right to administer her affairs. Lastly, it upheld the Pact of Paris by which practically all nations have pledged themselves not to resort to war as a matter of policy nor to settle disputes by any but peaceful methods. The question remains as to why our government deemed it necessary to send such a note at this time.

### TRADE WITH CHINA

As has been stated, Japan dominates practically all Manchuria at the present moment. She has insisted from the very beginning that her dispute with China could only be settled by direct negotiations between those two countries and not through the intervention of any third party. Should such a settlement be arrived at through direct negotiations, Japan might conceivably obtain from China special privileges of trade in Manchuria which are not now extended to other countries. The open-door policy would thus be violated.

The importance of maintaining this policy can well be realized if we consider the part China plays in our foreign trade. During recent years that trade has been rapidly expanding. In the last thirty years it has increased four-fold. In 1930 we exported \$112,776,000 worth of goods to China and imported \$113,281,000 worth. In the period extending from 1910 to 1914 our exports amounted to \$31,391,000 and our imports to \$38,475,000. Our trade with China continues to grow with the passing of each year. It is moreover important because of the nature of the products exported and imported. We sell to China, cot-

ton, tobacco leaf, kerosene, wheat, flour, iron and steel mill products, electrical machinery and equipment and a number of other products. We buy from that country such raw materials as raw silk, tung oil, furs, carpet wool and goat and kid skins.

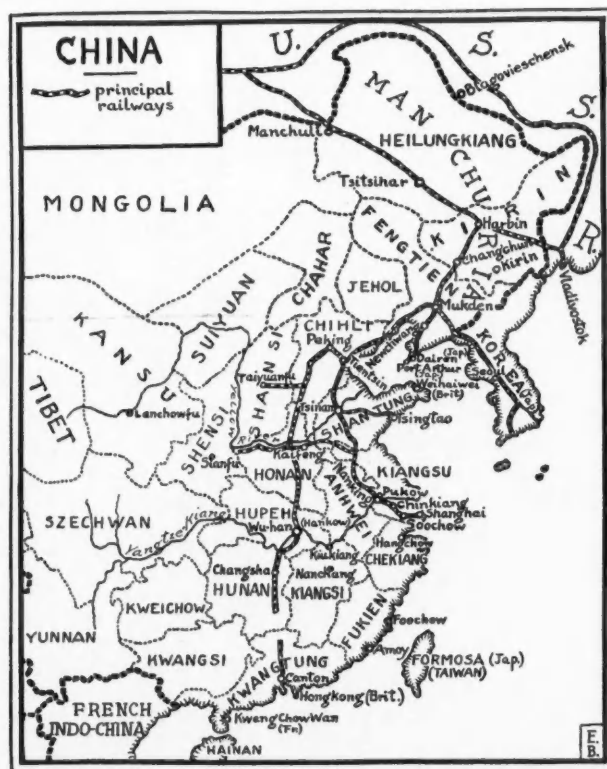
So valuable is our trade with China that many large corporations have established branches in the country. Millions of American dollars have been invested in Chinese enterprises. Some of our largest banks are represented there and many of our citizens spend their lives in that nation developing and promoting American trade. That trade must be protected and the treaties which we have signed and which China and Japan have signed must be maintained. That is what Secretary Stimson set out to make clear when he dispatched a note to both of those governments on January 7.

### JAPAN'S ATTITUDE

What has been Japan's reaction to this communication? No formal reply has been made by the government of that country at this writing. Some idea of the Japanese attitude has, however, become known. Japan, according to reports from Tokyo, has no intention of violating the open-door policy. It is claimed that she does not seek special trade advantages but merely wishes to enforce her own proper rights in Manchuria. She has, for instance, railway interests and coal-mining rights. Such interests, it is contended, have been endangered by Chinese bandits in Manchuria over whom China has had no control.

The Japanese, moreover, insist that since 1922 China has not been administering the affairs of Manchuria. Such government as has existed has been under the control of a Manchurian war-lord or general who has had little to do with the government of China. China's administrative integrity, or the right to direct the affairs of Manchuria, has not, in Japan's opinion, been violated, because China has not exercised that right. Reports indicate that Japan would like to have the Nine Power Treaty reconsidered, because she believes that Manchuria is not really a part of China. She thinks that Manchuria might perhaps be set up as a state, or a territory independent of China, in which all nations would enjoy the rights and privileges to which they are entitled.

The decline in value of the British pound has led many English vessels on the United Kingdom-New Zealand run to select routes which allow them to avoid Panama Canal tolls. Many are going around Cape Horn, stopping for fuel at British Empire ports.



—From Foreign Policy Reports  
CHINA



## Census Figures Reveal a Constant Shift of Our Population to Cities

**Industrial Development, Immigration and Rural Education Have Contributed to Rapid Urban Growth; Over Half of Americans Live in Cities**

A map of the United States, with its vast stretches of rural districts, could very easily lead an observer to conclude that more of our people earn their living directly from the soil than from industry. The areas classed as urban are but a tiny fraction of the total within our borders. The figures arrived at by the Census Bureau, however, show an altogether different situation. The last tabulation, based on the national census of 1930, reveals the fact that cities of 2,500 population or more account for 56.2 per cent of the people in the nation.

There are other countries, of course, where great masses of the population are crowded into the cities, but this is not true of any nation as large as the United States. Of the larger countries like Russia, China, India and Poland, from two-thirds to five-sixths of all the inhabitants live on the land. Italy and France are slightly more balanced, but the preponderance throughout the world is on the side of the rural population. In the United States, however, there has been a steady change in the composition of our population. While the methods of rural and urban classification have been altered, in 1880, and again in 1930, it is possible, through a glance at the statistics of past years, to observe general trends. In 1820, only 5 per cent of the people are recorded as city dwellers; in 1880, 28.6 per cent and in 1900, 40 per cent, and now it is more than 50 per cent.

To what is this movement due? Why have so many American families established themselves in the cities? The answer to the question is bound up in the history of our whole economic structure. When this country first came into existence as an independent state, it was primarily agricultural. Its position in the world scheme of that time corresponds to that occupied today by Brazil, the Argentine, or Australia. The chief products were the fruits of the soil, either agricultural or mineral. Industry was very limited, and most of our raw material production was sent abroad for transformation into finished products. Such remained the general characteristic of the country until 1850. At that time, 55 per cent of our imports were manufactured articles which we were unable to produce at home. Then, conditions began to change. Our industries, with factories and offices in the cities, commenced their remarkably rapid development, and our production of manufactured goods became more and more important.

This expansion naturally required increasing quantities of men to do the work, so that a gradual shift of the population from the country to the city began to make itself felt. The change was accentuated by the invention of agricultural implements—the mower and the reaper in the nineteenth century, and later, the tractor, truck and combine (reaper-thresher). These devices dispensed with a good deal of labor, and many farm hands were obliged to seek employment in the factories of the industrial centers.

Then, in the ten years preceding the war, immigrants from Europe came in far greater numbers. There have been few instances in the history of the world when such huge masses of people have shifted from one quarter of the globe to another. Millions of people of many nationalities flocked to this country and the majority of them finally settled in the cities. They did this for two principal reasons. First of all, many of the immigrants were of the tradesman or hand-worker class, and were far better suited to industrial occupations than to farming. Secondly, by establishing

themselves in urban districts, they could hold together, speak their mother-tongues, and adhere to their national customs.

The population trend from country to city may also be attributed to the broadening of educational facilities in rural districts throughout the nation. Boys and girls on the farms learned about the city, its glamour, its shops, its crowds, and all the



—Fitzpatrick in St. Louis POST DISPATCH  
A DECADE OF DEPRESSION HAS DRIVEN MILLIONS FROM THE FARMS

opportunities for "making a fortune." As a result, many of the younger generation decided to leave the farm to seek fame and riches in the city.

The last important element in the drain on rural districts is the fact that although the 1920's were considered as an era of great prosperity, the farm situation was extremely serious throughout the whole decade. The agricultural depression was almost ten years old before the widespread industrial crisis of 1929 set in. With such a dismal prospect before them, it is not at all surprising that a great many farmers drifted in to the cities, where business was booming and money was plentiful. If they could sell their farms, they did so, but many were simply abandoned.

However, since the depression has extended its effects to almost all branches of economic activity, a change is being noted. Many people who left the farms years ago are returning, at least temporarily. Those who own their own little plots of ground are considered fortunate. However, due to the present state of affairs, farmers all over the country are having difficulty meeting their tax requirements; in many cases, they are obliged to sell their land to procure the necessary sums. This is naturally the source of much concern to those representing the agricultural areas, and constitutes a problem which national and local governments are striving to solve.

## CHROMIUM

Plans are being considered for the erection of a large refining plant for chromium ore near Billings, Montana. Such a project would be important not only to Montana, where large deposits of ore are known to exist, but also to the entire country. In recent years the use of this metal has increased rapidly. It is necessary to the steel industry where it is used to line the huge steel furnaces and to make special grades of steel. Chromium is also of value to a number of other industries. It is widely used for the plating of metals on automobiles and for the making of surgical instruments, dentists' tools, armor plate and many other products.

But notwithstanding the fact that the United States uses almost two-thirds of the world production of chromium, very little is produced in this country at the present time. Most of the ore is shipped from

## N. Y. Tenements Aid Unemployed

**Hundreds Get Jobs Cleaning and Repairing Old Buildings**

An experiment conducted throughout the past few weeks in the Kips Bay district of New York's East Side has suggested a new and worth-while manner of putting hundreds of people to work. The Kips Bay Neighborhood Association, a social welfare organization, has undertaken a friendly educational campaign for better sanitary conditions in the tenement sections.

In the beginning, the landlords were hesitant about undertaking any extensive renovation enterprise, as they said that their tenants would soil the buildings as fast as they could clean them. The Association, however, obtained their promise to cooperate if the flat-workers were given instruction in the care of their homes. Accordingly, a corps of workers was organized and sent out to instruct the householders in the most efficient methods of floor-scrubbing, dish-washing, disposal of refuse, laundering and bathing. They found very willing pupils, and within a short time, the interiors of the tenements took on a very much brighter and cleaner aspect.

It was at this point that the landlords were called upon to do their share. In the majority of cases, the response was very gratifying. Hundreds of persons were put to work cleaning, repairing and painting the buildings, inside and out. Speaking of one block, a report on the campaign states:

Only a little while ago this New York row of tenements reeked with filth. Now every house in the block with a sole exception, is scrubbed and painted and rejuvenated inside and out. The one landlord who refused to clean up has paid for his sloth by seeing most of his tenants move to cleaner quarters.

The workers who do the actual cleaning and repairing are paid, not out of the city treasury or through charity funds, but by the landlords themselves, who have begun to realize that in the face of such a campaign it is in their interest to maintain a higher degree of cleanliness about their property.

This fact was noted with great interest and satisfaction by President Hoover's Organization for Unemployment Relief, which has taken steps to recommend the campaign to other large cities as a method of giving employment to a large number of those who are now in search of work.

## TO PROTECT INVESTORS

A bill before the New York legislature may, if enacted into law, serve the interests of many people throughout the country. It is proposed that corporations which sell stock, or shares of ownership, to the public be compelled to issue statements of their condition and of their earnings and that these statements must be in such form as would readily be understood. At present, many of these corporations do not make public their statements as to the amount of money they earn and others issue statements which are such a jumble of technicalities that no one but a financial expert can understand them. Those who buy the stock must base their conclusions as to its value upon guess work. This encourages speculation rather than the carrying out of a sound investment policy.

Since an increasing share of the business of the nation is being done by large corporations, and since these corporations have run many small concerns out of business, great numbers of people find that they can make more money by putting their savings, whether large or small, into shares of ownership of the large corporations than they could by starting little businesses of their own. These small investors need protection and this is what the bill is designed to give them. Since many of the largest corporations of the nation have their headquarters in New York, a New York law would reach most of the companies in which the public may invest.

## BACK TO CANADA

It was only a few years ago that the United States was receiving thousands of Canadians every year—men and women from that country who crossed the border, hoping to find work and easier living conditions. But now, that condition has been completely reversed. Not only are many Canadians returning home because of the unemployment which exists in this country, but Americans are going back with them. During the first seven months of last year, there were more than 10,000 Americans who decided to try their luck in Canada. It is also interesting to note that during that period there were some 13,000 native-born Canadians who went back home, whereas in 1925 there were 122,000 who came to this country intending to make it their home.